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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

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C-105 June 27, 1934

WORLD COTTON PROSPECTS

Summary

Although domestic cotton consumption in May was well maintained compared with the months immediately preceding, it was 16 percent less than the unusually high consumption of May 1933, but 57 percent higher than the low consumption in May 1932. With a reduction in the maximum number of hours domestic machinery is permitted to operate during June and July there is little doubt that cotton consumption in the United States during the remainder of the season will be very materially below the unusually high levels of June and July last season. It will probably be about in line with the average for the last 5 years.

Developments in the cotton textile situation in foreign countries in May were probably not as favorable, on the whole, as in April. In central Europe sales of cotton yarn and cloth during the month were thought to have been slightly smaller than in the preceding month. New business in western Europe and Italy continued unsatisfactory, necessitating further restrictions in activity. In Germany textile sales during May were satisfactory due only to unusual developments and were, therefore, not expected to continue. Mill activity in China increased somewhat during May, and in Japan continued at almost record levels.

Owing to the unusually large exports in the last part of last season and to Germany's restrictions on imports, exports of cotton from the United States during May this year were much smaller than last year. This is expected to be true of exports for the remainder of the season also. Thus far Germany's restrictions on imports have applied to all cotton and have probably

had little effect on cotton consumption in Germany. So long as this continues to be the case, Germany's restriction on imports should have little effect on the world consumption of American cotton.

The first official estimate of cotton acreage will be released July 9. Weather conditions in the Cotton Belt during May and the first half of June were on the whole considered as quite unfavorable. Fertilizer tag sales in the Cotton States for the season to the end of May were 20 percent larger than last season but about 35 percent less than the average for the 5 years ended 1930. The fertilizer per acre will probably be somewhat in line with the 5-year average due to the smaller acreage this year. But the excessive rainfall in the regions using most of the fertilizer is thought to have leached out a considerable amount of the fertilizer which has been distributed.

Preliminary unofficial reports from China and Egypt indicate that the 1934-35 cotton acreage in these countries will be somewhat larger than the 1933-34 acreage. In Russia the acreage is probably less than that of the 1933-34 crop.

Prices

Domestic markets

The average price of American middling 7/8 inch cotton in the 10 designated markets advanced about 1 cent per pound from May 1 to June 1. During the first 12 days in June there was a further advance of about 1/2 cent, the price in these markets averaging 12.18 cents on June 12 and 13. There was a slight reaction during the next few days, but on June 19 the average in the 10 markets reached 12.19 cents. This was the highest since the middle of March, nearly 2.0 cents above the average for June,1933, and almost two and one-half times as high as the average in June 1932 or 4.99 cents. An important factor contributing to the strength in domestic prices in recent weeks is the unfavorable weather in May and the first part of June.

Indian in relation to American in Liverpool

While Indian cotton in early June was not as cheap relative to American as in March and April, it was still cheap relative to American compared with past years. On June 1 the average price of three types of Indian cotton at Liverpool (Broach, OOmra, and Sind) was 73.4 percent of the average of American middling and low middling and on June 8 the ratio of Indian to American

was 74.1. In both March and April the ratio averaged 69.2 the cheapest Indian had been relative to American since the summer of 1930. In June last year the average was 81.3; in June 1932, 88.6; and the average for the 10 years ended 1931-32 was about 80.

Prices of Indian and Egyptian uppers in relation to American at Berlin 1/

The April decline in American cotton was not followed to its full extent by movements in Indian prices. Relative prices of Indian cotton thus increased considerably, but declinedagain during May when the American market recovered part of the April loss. The relationship of Indian cotton prices to American, therefore, remained in general very favorable to the former, a fact of definite importance, particularly in view of the possibility that Germany, the largest buyer of American cotton on the Continent, could perhaps switch to larger takings of Indian cotton in exchange for German goods. Similar considerations apply in regard to Egyptian uppers, the relative price of which has declined during the past 5 months and is now also distinctly favorable as compared with the price of American cotton. Egyptian uppers are a highly competitive type of cotton for the usual consumers of American cotton on the Continent.

It is true that certain adjustments in the machinery would be required if German spinners of American cotton would shift to the use of other cottons. Such a shift, however, is possible and the technical problems are ordinarily over-estimated, especially where modern machinery has been installed.2/ However, in those mills accustomed to American cotton, the substitution of other cottons requires that the spindles must handle staples of longer, shorter or less uniform length. As a result, the product is usually either inferior to that obtained from American cotton or the waste is greater, thus increasing the cost of production. Nevertheless, the possibility of a shift in the source of Germany's cotton supplies should not be underestimated.

Stocks and Movement

Apparent supply of American cotton in the United States

The apparent supply (stocks) of American cotton remaining in the United States on June 1 has been estimated at 9,500,000 bales, which is 1,200,000 bales less than on the same date last year and 1,800,000 bales less than on June 1, 1932. The decline from May 1 to June 1 was 800,000 bales, approximately 300,000 bales having been exported and 500,000 bales consumed by domestic mills. The disappearance during May last year was much larger as exports were nearly 600,000 bales and consumption slightly more than 600,000 bales.

1/ Based largely upon the report of June 7 from the Agricultural Commissioner's Office at Berlin.

2/ As an example of the possibilities of adapting machinery to changing raw material supplies, it may be mentioned that one of the largest German cotton textile firms announced recently that its machinery is prepared to use the "Vistra" fibre instead of raw cotton. This is an artificial fibre similar to rayon, but when cut short and spun it resembles cotton in texture and appearance. At present, however, its cost is prohibitive.

Exports of American cotton

Total exports of American cotton during May amounted to 285,000 bales compared with 592,000 bales during May last year and 501,000 bales in May 1932. The comparatively low exports in May this year may be attributed to Germany's temporary prohibition on the imports of cotton and other raw materials and to the unusually large exports of last year and the year before.

During the 10 months ended May 31 total exports of American cotton amounted to 6,769,000 running bales, a decline of about 344,000 bales from the like period last season. All but 36,000 bales of this decline occurred during May. During the first 20 days of June exports continued well below the record breaking exports of June last year and the same will undoubtedly be true of July since exports in July last year were by far the largest for that month in the history of our export trade.

Exports of Indian and Egyptian

During the 5 weeks ended June 14 total exports from India to all countries was reported by the Commercial and Financial Chronicle at 416,000 running bales of approximately 400 pounds each. This represented an increase of 61 percent over the like period last season and 189 percent over the corresponding weeks of 1932 both of which were considerably below normal. For the season from August 1 to June 14 exports from India to all countries were reported at 2,061,000 bales compared with 1,854,000 bales during the corresponding period last season and 1,334,000 bales to the middle of June in 1931-32. Japan and China combined (as reported) took less Indian cotton during the first 10-1/2 months of the season than a year earlier and about the same quantity as in the corresponding part of 1931-32. Great Britain and the Continent of Europe, however, took much larger quantities than either last season or the season before. During the 5 weeks ended June 14 exports from India to Japan and China were much larger than 1 year and 2 years earlier.

Total exports from Egypt during the 5 weeks ended June 13 were approximately 66,000 Egyptian bales of about 750 pounds. This was 23 percent less than during the corresponding 5 weeks last year and 20 percent less than year before last. During the first 10-1/2 months of the season, however, total exports from Egypt amounted to 1,110,000 bales compared with 739,000 bales and 934,000 bales respectively during the like periods in 1932-33 and 1931-32.

Textile Situation

United States

Although domestic cotton consumption in May was well maintained compared with the months immediately preceding, it was 16 percent less than the unusually high consumption of May 1933. Consumption in May, however, was about 57 percent higher than the unusually low consumption of May 1932 and about the same as the average for the last 5 years. The total consumption of all cotton for the month amounted to 520,000 running bales compared with 513,000 bales in April and brought the total for the 10 months to 4,978,000 bales. This was 139,000 bales or 3 percent higher than in the first 10 months of 1932-33 and 713,000 bales or 17 percent higher than in the like period of 1931-32.

Trade reports indicate that sales and shipments during May were less than production. During the first part of June sales of cotton goods were somewhat better and in some lines of constructions particularly print cloth yarn goods and narrow sheetings the buying in early June, in conjunction with the reduction in activity, is said to have materially reduced unsold mill stocks. With the enforced restriction on machinery activity the total consumption of cotton in June and July is expected to be somewhat lower than in the months immediately preceding and very materially lower than the record consumption of June and July last year. Consumption during these months, however, will be a great deal higher than in the corresponding months of 1932.

Great Britain

On the whole mill activity in England in May was probably about the same as or slightly higher than in April and was apparently not greatly different from activity in May 1933, judging from trade reports. The trend of activity was somewhat upward during May, however, and in the first part of June activity continued at about the same rate as in late May.

Exports of cotton piece goods from Great Britain during May totaled 151,000,000 square yards, compared with 169,000,000 in May last year, 201,000,000 in May 1932 and 142,000,000 in May 1931. Total exports of cotton cloth for the 10 months ended May 31 amounted to 1,615,000,000 square yards compared with 1,793,000,000 square yards to the same date last year and 1,655,000,000 square yards to the end of May 1932.

Continental Europe 1/

Developments in the continental European cotton textile industry during May were not very satisfactory. It is impossible at this time to forecast future developments with any degree of assurance since the usual factors no longer have their former significance. Developments will depend largely upon the arbitrary actions of various continental governments.

New sales of cotton yarn and cotton manufactures in central Europe during May were slightly less than in the preceding month. In Germany, there were distinct signs that the previous strong movement of textile goods into consumption would not continue although cotton mills have sufficient orders on hand to insure a good rate of activity if sufficient raw material is available. New business in western Europe and Italy continued unsatisfactory so that further restrictions in mill activity were necessary, particularly in France. The deflationary policy adopted in France and Italy in recent months is hampering the textile business.

1/ Based largely on a report prepared by Assistant Agricultural Attaché Donald F. Christy at Berlin, Germany, dated June 7.

Outside of Germany, continental spinner buying of raw cotton during May showed some improvement over April, as a result of the firmer tendency on overseas markets. Price fixing was also reported to have been of fair volume. In Germany, import buying was prohibited throughout May. During June, purchases of raw cotton will be permitted on a limited scale. Such purchases, however, will be under the control of a supervisory office and special permits will have to be obtained in each case.

Germany

The detailed spinner report for the month of April indicates that the good occupation of the industry reported in March continued also through April, but during the last part of the month new business declined considerably. Nevertheless, unfilled orders at the mills are of satisfactory volume and assure a good rate of mill activity for some time to come if adequate raw material supplies are available. Weavers reported a good influx of new orders for the month of April, though in sections a decline was evident. In this section of the industry also, unfilled orders are sufficient to last the mills for several months. Exports, however, are greatly complained of, and prices are also considered unsatisfactory.

New business during the month of May was also considered quite satisfactory in spinning, weaving and knitting mills, and advance buying by consumers made itself felt as a result of the existing import restrictions for raw material. The increased production of cotton goods up to the time of the prohibition on import purchases was largely for internal use being stimulated by the demand for uniforms and flags. The demand for these purposes cannot continue, of course, at least not at previous levels. During the past month or two consumers, fearing inflation and higher prices as a result of restricted imports, have been stocking up with textiles including cotton. This unusual demand is also expected to subside in the near future.

Trading in raw cotton during the month of May remained, of course, very limited and import buying was impossible as a result of the buying prohibition. The import buying prohibition was prolonged on May 18, to the end of the month, and beginning with June 1 preliminary regulation of buying in the cotton industry is to take effect. During the month of June all purchases, inland and foreign, of raw cotton and linters are subject to the approval of the control commissioner. For such import purchases as the commissioner has approved, the competent foreign exchange office will allot the necessary foreign currency. 1/ As this regulation is valid only for the month of June, buying applications can only be of a short-term nature. Separate provisions are not made for futures transactions and this is expected to result in some difficulties for the industry.

1/ According to an ordinance which appeared in May, the foreign exchange allotments for the month of June were reduced to 10 percent of the general permit, excepting for those raw materials which are under buying control. This ordinance is interpreted to mean that the exchange allotments for the latter materials will be granted more liberally than for goods to which the 10 percent apply.

Czechoslovakia

Following improved business during the second half of April, the Czechoslovakian cotton textile industry again complained of the slow influx of new orders during May. Occupation of weaving mills, however, continued better. A certain amount of improvement resulted from the devaluation of the currency, but low prices of competitors' goods (particularly Japanese) and currency restrictions of importing countries continued to make Czechoslovakian exports difficult.

Recently issued statistics indicate that at the present time the Czechoslovakian cotton industry has about 3,500,000 spindles, of which 600,000 are adapted for Egyptian cotton. Of the 3,500,000 spindles, 500,000 are permanently out of work. About 98 percent of the remaining spindles are united in the Cotton Spinner Cartel. During 1933, 60,000,000 kilograms (132,000,000 pounds) of cotton yarn were produced, of which 16,000,000 kilograms (35,000,000 pounds) were exported to Rumania, Yugoslavia, Bulgaria and other Balkan countries. Cotton weaving mills in Czechoslovakia have about 100,000 looms which are occupied to the extent of only 40 percent of capacity during the year 1933. It must also be noted that these looms not only consume cotton yarn, but also artificial and natural silk as well as wool and linen yarns. The number of automatic looms is relatively small, as Czechoslovakia has an abundant supply of cheap qualified textile labor. Exports of cotton weavings during 1933 amounted to 280,000,000 crowns ($1,070,000 at correct exchange), or only 18 percent of the export value in the year 1928.

Austria

No new reports on the textile conditions in Austria were received during the month of May.

France

The unsatisfactory situation in the French cotton textile industry continued during May, with cotton spinners complaining of the very slow pace of new business, and cotton weavers indicating that new sales of cotton cloth improved only slightly during May. It is now pretty certain that considerable restrictions in cotton spinning and cotton weaving mill activity took place during April and May. An interesting development in recent months, according to newspaper information received here, was the fact that regional cotton industry associations organized a number of incorporated companies with a small capital, the only purpose of which is to buy up cotton textile mills that have failed. The production apparatus of these mills is then demolished in order to eliminate their capacity from the market.

Around the middle of May, the Syndicat Général de l'Industrie Cotonnière Francaise held their annual meeting and a rather pessimistic report was presented. The report says that at the present time the situation of the French cotton industry is worse than at any time during the crisis - a statement which is probably too pessimistic but shows at least that present conditions are far from satisfactory and much less favorable than they were last fall.

One reason for this pessimism lies in the fact that the industry's margin has constantly fallen since the beginning of 1934, and is now lower than during the depth of the depression. Cotton textile mills are now being utilized to only 70 percent of capacity as compared with 80 percent last year. On the other hand, the situation on the French market, from a technical standpoint, is considered sound. Stocks with the industry are not excessive and the wholesale trade has practically no stocks at all. The Syndicat welcomes the fact that the French cotton industry depends on export outlets to an insignificant extent only, and maintains that the purchasing power for cotton goods in France and her colonies shows great resistance even in years of crisis. However, a great handicap is seen in the general lack of business confidence and the hoarding of money, developments which have cut down sales possibilities below what could otherwise be expected. The Syndicat thinks that measures to adjust production to present conditions are absolutely necessary in order to restore an equilibrium.

Poland

A report from Lodz dated the beginning of May indicates that the situation in the textile business is unsatisfactory. Stocks have accumulated to a considerable extent and exert unbearable pressure upon prices, especially in the case of cotton goods. The expected increase in the sales had not occurred so far and in order to take account of all these conditions the Spinner's Cartel was forced to reduce working time by 9 hours per week.

Russia

Production of cotton fabric during recent months has continued on, or slightly above, the level of 200,000,000 meters (219,000,000 yards) per month, which is somewhat below last year's levels at this time of the year, but apparently somewhat more favorable than during the last months of 1933. Output of cotton fabrics in April amounted to 210,699,000 meters(230,430,000 yards) or 92.1 percent of the monthly plan. Yarn production amounted to 30,475 metric tons (67,185,000 pounds) in April or 97.7 percent of the respective plan.

Production during the second 10 days of May was reported to have increased as compared with the first 10 days of the month, for which no data are available. Production of cotton fabrics during the second decade amounted to 68,894,000 meters (75,342,000 yards) or 97.1 percent of the plan for that period. On the basis of this figure and in view of the fact that it represents a certain increase over the first 10 days of the month it would appear that total production of cotton fabrics during May was probably around 200,000,000 meters (218,720,000 yards) or about 5 percent below the previous month.

China

Cotton mill activity in China was, on the whole, higher in early June than in early May, according to a report received by radiogram on June 13 from the Agricultural Commissioner's office at Shanghai. The Chinese owned mills were said to have been operating at about 75 percent of capacity while the Japanese mills were operating at nearly full capacity.

A month earlier the Chinese mills were running at about the same rate as in early June while the Japanese mills were running at 90 to 95 percent of capacity. Cotton consumption during May was estimated at 112,000 bales, 23,000 of which was American; 19,000 Indian; 2,000 Egyptian; and 68,000 Chinese. The yarn market in China was reported as slightly improved during May, particularly with reference to 32 count yarns. For yarns above and below 32's, however, the market continued inactive, although yarn prices advanced somewhat, but not in proportion to the advance in cotton prices.

The Chinese Government's purchases of American cotton under the R. F. C. loan are said to have been practically completed with purchases totaling about 168,000 bales. Of this, 52,000 bales are said to have been sold to mills up to early June, 16,000 bales were afloat, and 20,000 bales ready for shipment. The monthly rate of consumption of this cotton in May or early June has been estimated at about 4,000 bales.

Japan 1/

Yarn production in Japan during May amounted to 280,000 bales of approximately 400 pounds which is approximately as high as the record production of April and exceeded yarn production in May 1933 by 11 percent. Activity continued high despite the fact that British possessions have established import quotas which are expected to materially reduce the imports of Japanese cloth by these countries. The Japanese are making special efforts to expand their markets in other countries and are said to be making considerable progress.

Exports of cotton cloth from Japan during April were reported at 192,000,000 square yards compared with 162,000,000 square yards during May last year and 136,000,000 square yards in May 1932. Total exports from August 1 to the end of May amounted to 1,664,000,000 square yards compared with 1,676,000,000 square yards during the corresponding period last season. It is reported that the Government is underwriting the export bills to insure exporters against losses arising out of foreign exchange fluctuations. This is said to be encouraging exporters in their efforts to open up new markets. A movement is also under way to encourage exports by uniting manufacturers and exporters in a single trade group as they are said to have often worked at cross purposes in disputes with foreign countries.

Acreage, Production and Crop Conditions

United States

The first official report pertaining to the 1934 domestic crop will not be released until July 9. This report will contain only an estimate of the acreage. The first forecast of production will be released August 8. Private estimates of the 1934 cotton acreage released in the first part of June ranged between 27,000,000 and 30,000,000 acres. The official estimate of the acreage planted in 1933 was 40,798,000 acres but due to the plowing under of more than 10,000,000 acres and to abandonment the estimated area harvested was 29,978,000 acres.

1/ Based largely on a report from Vice Consul McConaughy at Kobe, Japan, received by radiogram from Shanghai, China, May 31, and June 13.

Weather conditions during May and the first part of June were on the whole considered as quite unfavorable. In the eastern part of the Belt, rainfall was much above normal and in Texas and Oklahoma much below normal. Conditions in the East have been very favorable for boll weevil infestation. The condition of the crop, however, is said to be such that the crop could materially improve or further deteriorate in the next few weeks depending upon weather conditions.

Fertilizer tax tag sales in eight states during the month of May totaled 74,000 short tons compared with 160,000 tons during May 1933, and 83,000 tons in May 1932. During the 6 months, December through May sales in the eight principal cotton states (excluding Oklahoma) totaled 2,628,000 tons compared with 2,188,000 tons during the like period last season, 1,782,000 tons to the same date in 1932, but were 35 percent less than the average for the same period in the 5 years ended in 1930, 5 pre-depression years. Due to the smaller acreage, however, the quantity per acre may be about in line with the average.

India

The final official estimate of the 1933-34 Indian crop as previously reported placed the crop at 4,159,000 bales of 478 pounds which was 263,000 bales or 7 percent larger than the revised estimate of the 1932-33 crop and 791,000 bales larger than the 1931-32 crop. The average production for the 5 years ended 1930-31, however, was 400,000 bales larger than the 1933-34 crop. The 1933-34 acreage was reported at 23,739,000 acres, an increase of 1,256,000 acres or 6 percent over the 1932-33 acreage, but about 6 percent less than the average for the 5 years ended 1930-31.

Little information is available as to the acreage or crop prospects for 1934-35 for the planting of most of the Indian crop occurs much later than the planting in the United States. It may be significant to note, however, that in recent months cotton prices at Bombay, India have averaged 10 to 15 percent higher than a year earlier. At this time last year cotton prices in India were less than a year earlier but from May to July they averaged 19 to 33 percent higher than a year earlier. An examination of acreage changes and cotton prices in India shows that Indian producers have in the past responded to price changes. It would not be surprising if India's 1934-35 cotton acreage should be higher than that of 1933-34, particularly if cotton prices in India continue higher than last year.

The following extract from the May 26 issue of The Financial News (Bombay) may be of interest in connection with the 1934-35 Indian crop: "From reports emanating from the Indian Meteorological department as well as from other sources, it seems that Monsoon this year would be late. There being no break of the Monsoon at Colombo so far, some anxiety is likely to be felt as to whether this year's commencement of rainfall in India would be timely".

China

Preliminary reports on the cotton acreage prospects in China indicate that perhaps the 1934-35 acreage may be as much as 10 percent higher than in 1933-34, according to a report from the Agricultural Commissioner's office

at Shanghai about the middle of June. This is said to be due to the fact that returns from cotton in 1933-34 were more favorable than returns from other crops and to favorable conditions for planting this spring. Actual prices of native cotton in Shanghai in recent months have been slightly lower than a year earlier, but higher than during the early part of the 1933-34 cotton season.

Russia

Although the cotton planting campaign was not completed by May 5 to 10, the date stipulated by the Government, relatively good progress was reported, with total sowings on May 5, reaching 1,440,000 hectares (3,558,000 acres) or about 3/4 of the total plan. Sowings at the same time a year ago amounted to 1,306,000 hectares (3,227,000 acres) or 63 percent of the plan. Later reports for the Union as a whole are lacking, but data for Middle Asia, by far the most important cotton producer of the Union, reported 94.5 percent of the planned sowings completed by May 15, and the figure reached 99 percent on May 25. Compared with a year ago, sowings in Middle Asia were about on last year's levels, while contrary to last year, sowings in the so-called "new cotton regions" have been more favorable as judging from last reports the plan was almost fully completed by May 5 in North Caucasus and Ukraine.

Individual peasants have been lagging behind throughout the whole campaign. Thus, for example, a local report from Usbekistan indicated that sowings on May 15 amounted to 99.2 percent in the case of collectives and only 75 percent in the case of the individual peasants, the respective figures for Turkmenia amounting to 100.5 and 78.6 percent. A similar situation is reported from other republics and regions.

Government plans call for 1,105,000 metric tons of unginned cotton (equivalent to 1,580,000 to 1,680,000 bales of 478 pounds of lint) to be delivered from the 1934 crop by collectives and individual peasants and 59,700 metric tons (85,000 to 90,000 bales of lint) by Soviet farms, making a total of 1,164,700 metric tons of unginned cotton. This corresponds to 1,665,000 to 1,770,000 bales of 478 pounds each of ginned cotton, depending upon the ginning yield. In this connection it is interesting to note that last year's procuring plan called for a total of 1,346,000 metric tons of unginned cotton so that this year's (1934 crop) procuring plan calls for 13.4 percent less cotton than a year ago. As has previously been pointed out, the Government has apparently adopted a more conservative viewpoint than in former years as the acreage plan has undergone a reduction of only 5 percent, from 2,067,000 hectares provided for 1933 to 1,960,000 planned in 1934.

There have been the usual complaints of unsatisfactory cultivating methods in the Soviet Press, with recent reports indicating that owing to frequent rains during the past weeks a crust had formed which required breaking up in order to prevent it from impeding the sprouting of the cotton plant and its normal growth. At the same time, it was feared that the rainy spring would promote the growth of weeds.

Brazil

The official estimate of the total 1933-34 Brazilian crop has not been received as yet, but the indications are that it will show a

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very substantial increase over the crop of 1932-33. The preliminary estimate of the 1933-34 crop in north Brazil indicated a production in those states of 415,000 bales of 478 pounds compared with 226,000 bales a year earlier and an average of 436,000 bales for the 5 years ended 1930-31. The 1933-34 acreage in these states was placed at 1,406,000 acres, an increase of 19 percent over the 1932-33 acreage and 19 percent over the average for the 5-year period. Unofficial estimates of the 1933-34 acreage and production in south Brazil indicate a rather large increase in those states, particularly in the State of Sao Paulo, the most important cotton producing State in Brazil.

While the planting of the new (1934-35) crop in northern Brazil is probably about completed by this time no report has been received giving any indications of what change, if any, has occurred in the acreage planted. So far as the actual price of cotton is concerned it would seem as though the acreage would hardly show much, if any, increase over last year or might even decrease. If cotton prices at Rio de Janeiro are representative of what cotton farmers receive for their cotton they received much less per pound for their 1933-34 crop than for their 1932-33 crop. From August to November the monthly average prices of Brazilian, Serido, grades 3 and 4 were 5 to 47 percent lower than a year earlier and through April (the latest quotation available at this time) continued at least 33 percent less than in the corresponding month a year earlier. Prices in April, however, were somewhat higher than in the early part of the cotton season beginning last August 1.

Mexico

The planting of the 1934-35 cotton crop in Mexico has probably been about completed by this time, but as yet little information has been received as to the probable plantings. However, the following is a translation of comments contained in the May issue of the "Boletin Mensual de Estadistica Agricola" a monthly bulletin of the Secretary of Mexican Agriculture which may be of interest:

"Planting was completed during the month in the region of the Comarca Lagunera, Coahuila and Durango, the condition of this cultivation being estimated to be generally fairly good.

"In the region of Don Martín, Lampazos, Nueva León, sowing was going on during the month, and it is also estimated to be in a satisfactory condition, the area planted being calculated at 22,000 hectares, double the amount that was planted last year.

"In the regions of the Conchos and Valley of Juarez, Chihuahua, and Mexicali Valley, Lower California, planting was begun under conditions generally fairly good."

Egypt

The 1934-35 Egyptian cotton crop has been planted but the official estimate of the area planted will not be available until early August. Private estimates indicate that the acreage planted apparently increased considerably over that of 1933-34 possibly equaling or exceeding the record acreage of 1930-31.

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